

Items found during review of FY05-FY07 p-card purchases

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1. Agency purchases for postage stamps. Postage stamps are listed in the purchasing card process manual as an unallowable item to purchase on the p-card because of the potential for postage to be used for personal use. Postage is essentially a “cash for cash” purchase and it is difficult for agencies to control the appropriate usage of stamps.
2. Unallowable agency purchases of motor vehicle fuel (non-bulk). This is listed as an unallowable purchase of the p-card because it is more efficient for state employees to use the Voyager card for individual fuel purchases. Another reason it is an unallowable p-card purchase is the potential for the cardholder to purchase fuel for personal use. In many instances reviewed, the agency card holder misplaced their Voyager card or used the wrong card by mistake.
3. Clothing purchases that don't meet the IRS standard of a “work uniform”. A few agencies purchased khaki pants or shorts on the p-card for employees to go along with shirts with an agency logo. The logoed shirts meet the IRS definition of a work uniform, but the khaki pants and shorts do not because those items would be adaptable to every day street wear. The employees were receiving taxable imputed wage benefits from their employer by receiving the khaki pants/shorts which should be reported as such on their W-2, but was not reported.
4. A waiver was not always obtained from Missouri Vocational Enterprises (MVE) for applicable agency p-card purchases reviewed. Missouri Statute 217.575 requires that any products or services produced by MVE must not be purchased from any other source without first obtaining a waiver from MVE. Additionally, orders may be placed directly to MVE, without utilizing the bid process. MVE has a wide variety of products and services available that state agencies can purchase at a relatively low cost.

5. For several of the p-card purchases reviewed, it appears that agencies could have used a more appropriate expenditure object code on the SAM II Financial system to better reflect what was purchased. OA recommended alternative object codes for agencies to use on similar purchases in the future. When OA sends coding recommendations to agencies on current fiscal year items reviewed, agencies will be able to correct any miscoded items with a Journal Voucher document.

General Comments and Recommendations

6. Some of the p-card purchases reviewed appear to be excessive and/or unnecessary. This would be the case whether they were purchased using the p-card or through traditional means. Because there are many agency cardholders making purchases that will be reviewed sometime after the purchase, it is important for all cardholders to realize the importance of making appropriate purchases and being good stewards of the state funds available to spend on the p-card.
7. OA recommends that agencies implement the automated interface for the p-card, if they have not done so already. This provides a better link between the Visa Information Management system and the SAM II Financial system.
8. Agencies appear to have done a good job of not making p-card purchases for IRS 1099 reportable services, if the vendor is not a corporation. The reviewed p-card purchases for 1099 reportable services were paid to corporations.
9. Agency p-card coordinators did an excellent job of providing sufficient supporting documentation of selected purchases to OA in a timely fashion. Supporting documentation included itemized receipts, cardholder purchasing transaction card logs with a description of each purchase during the month along with the signatures of the cardholder and the reviewer. Agency policies and e-mails between the reviewer and cardholder were included when necessary for further explanation.